

November 11, 2015

Subject: Management Discussion and Analysis on the Operating Results for the 3<sup>rd</sup> Quarter of 2015

Dear The President  
The Stock Exchange of Thailand

Aira Factoring Public Company Limited ("the Company") would like to submit the interim Financial Statements for the 3<sup>rd</sup> Quarter ended September 30, 2015 which was reviewed by auditor and Management Discussion and Analysis Review which compared operating results between the 3<sup>rd</sup> Quarter of 2015 and the 3<sup>rd</sup> Quarter of 2014 together with the Company's financial status compared between the ending date of the 3<sup>rd</sup> Quarter of 2015 as at September 30, 2015 and the ending date of year 2014 as at December 31, 2014 as follows:

The Operating Results of the Company for the 3<sup>rd</sup> Quarter of 2015 compared to the 3<sup>rd</sup> Quarter of 2014.

Information of Operating Results	(Unit : Million Baht)				Common Size	
	3rd Q/2015	3rd Q/2014	Changed		3rd Q/2015	3rd Q/2014
	Ended 30Sept15	Ended 30Sept14	Inc (- Dec) %	%	Ended 30Sept15	Ended 30Sept14
<b>Operating Results</b>						
Total Revenues	46.61	45.08	1.53	3.4%	100%	100%
Interest Income From Factoring	38.01	34.94	3.07	8.8%	82%	78%
Finance Cost	12.99	11.91	1.08	9.1%	28%	26%
Net Interest Income	25.02	23.03	1.99	8.6%	54%	51%
Fees and Services Income	7.64	8.26	-0.62	-7.5%	16%	18%
Other Income	0.97	1.88	-0.91	-48.4%	2%	4%
Administrative Expenses	22.09	22.50	-0.41	-1.8%	47%	50%
Profit (Loss) Before Income Tax Expenses	11.54	10.67	0.87	8.2%	25%	24%
Profit (Loss) For The Period	8.45	7.72	0.73	9.5%	18%	17%
<b>Financial Ratio</b>						
Earning Per Share	0.01	0.01				

Operating results of the 3<sup>rd</sup> Quarter of 2015, the Company had total revenues of Baht 46.61 million, increased by Baht 1.53 million or 3.4%, compared to Baht 45.08 million at the same Quarter of 2014. The Rate of Net Interest Income enhanced to be stood at 82% of Total Revenues or amount to Baht 38.01 million, compared with the same Quarter of previous year at 78% of Total Revenues or amount to Baht 34.94 million. Net Interest Income of the 3<sup>rd</sup> Quarter of 2015 was Baht 25.02 million or being equivalent to 54% of Total Revenues while the 3<sup>rd</sup> Quarter of



2014 was Baht 23.03 million or 51% of Total Revenues. Fees and Services Income included Other Income gradually declined by Baht 1.53 million, compared to the same Quarter of previous year.

Administrative Expenses were better adjustment on the 3<sup>rd</sup> Quarter of 2015 it stood at Baht 22.09 million or 47% of Total Revenues, compared to the same Quarter of last year was Baht 22.50 million or 50% of Total Revenues. Resulting to the Profit Before Income Tax Expenses Rate improved to be at 25% of Total Revenues or amount to Baht 11.54 million when comparison with the same Quarter of last year, at 24% of Total Revenues or amount to Baht 10.67 million.

Profit For the 3<sup>rd</sup> Quarter of 2015 was Baht 8.45 million when comparison with the same Quarter of previous year increased by Baht 0.73 million or 9.5%.

For computation of Earning Per Share, number of shares were adjusted because the par value of the share was changed from Baht 5.0 per share to be Baht 0.25 per share as follows:-

- The 3<sup>rd</sup> Quarter of 2014, number of shares for computation is 800 million shares.
- The 3<sup>rd</sup> Quarter of 2015, number of shares for computation is 878.26 million shares (weighted average).

Earning Per Share of the 3<sup>rd</sup> Quarter of 2015 and the 3<sup>rd</sup> Quarter of 2014 were at Baht 0.01 per share.

### Financial Status of the Company

<u>Financial Information</u>	(Unit : Million Baht)				<u>Common Size</u>		
	<u>Descriptions</u>	As at 30Sept15	As at 31Dec14	<u>Changed</u>		As at 30Sept15	As at 31Dec14
				<u>Inc (- Dec)</u>	<u>%</u>		
<b><u>Financial Status</u></b>							
Factoring and Loans Receivable	1,963	2,470	-507	-21%	95%	95%	
Current Assets	2,038	2,516	-478	-19%	99%	96%	
Total Assets	2,065	2,610	-545	-21%	100%	100%	
Short-Term Loans From Financial Institutions	1,345	2,166	-821	-38%	89%	96%	
Current Liabilities	1,491	2,247	-756	-34%	99%	99%	
Total Liabilities	1,504	2,259	-755	-33%	100%	100%	
Total Shareholders' Equity	561	351	210	60%			
<b><u>Financial Ratios</u></b>							
Current Ratio (Times)	1.37	1.12					
Debt to Equity (Times)	2.68	6.44					

Assets as at September 30, 2015, the Company had the Factoring and Loans Receivable of Baht 1,963 million, Current Assets and Total Assets were Baht 2,038 million and Baht 2,065 million respectively. Upon comparison with December 31, 2014 the Factoring and Loans Receivable was Baht 2,470 million, Current Assets



and Total Assets were Baht 2,516 million and Baht 2,610 million respectively. Consideration on structure of assets proportion, Factoring and Loans Receivable was unchanged as shown at 95% of total assets.

Liabilities as at September 30, 2015, the Company had outstanding of Short-Term Loans From Financial Institutions amount to Baht 1,345 million, dropped by Baht 821 million or 38% upon compared with outstanding of Short-Term Loans From Financial Institutions as at December 31, 2014. Resulting Current Liabilities and Total Liabilities as at September 30, 2014 reduced to Baht 1,491 million and Baht 1,504 million respectively.

On Share Capital, there was a significant event during the 3<sup>rd</sup> Quarter of 2015 as follows;

On August 21, 2015, the Extraordinary General Meeting of the Company's shareholders passed and approved at the following:-

- To approve a change in the par value of the Company's ordinary shares from Baht 5.00 per share to Baht 0.25 per share.
- To approve an increase in the Company's registered capital from Baht 200 million to Baht 400 million by issuing of 800 million additional ordinary shares of Baht 0.25 each to the existing shareholders at a ratio of 1 existing ordinary share to 1 newly issue ordinary share, at a price of Baht 0.30 per share.
- Therefore, on September 30, 2015 the Company has a total number of ordinary shares, fully paid up, of 1,600 million shares.

The ending of the 3<sup>rd</sup> Quarter of 2015, the Company had total equity of Baht 561 million comprised of fully paid up registered capital of Baht 400 million, share premium of Baht 76 million and retained earnings of Baht 85 million.

#### Summary

The Company's financial status as at the ending the 3<sup>rd</sup> Quarter of 2015 compared to the ending year 2014, total assets decreased by Baht 545 million or 21% compared to total liabilities dropped by Baht 755 million or 33% and equity increased by Baht 210 million or 60%, resulting to better adjustment of liquidity and debts to equity structure.

- Current Ratio was at 1.37 times increased from 1.12 times.
- Debt to Equity Ratio was at 2.68 times decreased from 6.4 times.

Please be informed accordingly.

Yours faithfully



(Mr. Samchai Benchapathomrong)

Chief Executive Officer